IN THE CLAIMS:

Please add claims 6-25 as follows:

6. A method, to be administered by an administrating entity, for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects;

determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants; and

executing contracts between the administrating entity and each of the plurality of specified educational institutions in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution

a promise to deliver a specified measure of educational services.

7. The method of claim 6, wherein the participants designate beneficiaries to whom the educational services will be provided.

8. The method of claim 7, wherein a beneficiary is designated by a participant at the time a contract between that participant and the administrating entity is executed.

9. The method of claim 6, wherein the contracts between the administrating entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administrating entity comprise institution option contracts.

10. The method of claim 6, wherein the contracts between the administrating entity and the participants comprise participant option contracts and the contracts between the educational institutions and the administrating entity comprise institution forward contracts.

11. The method of claim 6, wherein the contracts between the administrating entity and the participants comprise participant forward contracts and the contracts

between the educational institutions and the administrating entity comprise institution option contracts.

12. The method of claim 6, wherein the contracts between the administrating entity and the participants comprise participant forward contracts and the contracts between the educational institutions and the administrating entity comprise institution forward contracts.

13. The method of claim 9, wherein the participant option contracts are deep-in-the-money option contracts.

14. The method of claim 10, wherein the participant option contracts are deep-in-the-money option contracts.

15. The method according to claim 7, wherein the determination process for each of the plurality of specified educational institutions comprises:

examining an educational institution data record;

examining a participant data record for each of the plurality of participants;

comparing the educational institution data record with each participant data record to determine a predicted total measure of education that each participant will require from the particular educational institution; and

summing the predicted total measure of education that each participant will require from the particular educational institution to determine for each of the plurality of specified educational institutions a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants.

16. The method of claim 15, wherein said educational institution data records include statistical information describing the historical makeup of the particular educational institution's student body.

17. The method of claim 16, wherein said statistical information includes information describing academic performance prior to admission.

18. The method of claim 16, wherein said statistical information includes information describing scholastic aptitude test scores.

19. The method of claim 16, wherein said statistical information includes information describing geographic origin of students.

20. The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries geographic locale.

21. The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries academic performance.

22. The method of claim 15, wherein said participant data records include data describing the compounding beneficiaries scholastic aptitude test scores.

23. The method of claim 15, wherein said participant data records include data describing the measure of educational services that has been promised by the administrating entity to the particular participant.

24. A machine-readable data storage medium encoded with a set of machine-executable instructions for carrying out, with a machine capable of executing said instructions, a data processing method for allowing a plurality of participants to prepay for services or goods to be received at a later date from one of a plurality of specified providers, the method comprising the steps of:

executing contracts between the administrating entity and each of the plurality of participants in which a

contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of services or goods, the services or goods to be provided by whichever of the plurality of specified providers the contracting participant selects;

determining, for each of the plurality of specified providers, a predicted total measure of services or goods that will be required from that provider by the aggregate of the plurality of participants; and

executing contracts between the administrating entity and each of the plurality of specified providers in which the administrating entity pays to a contracting provider a cash amount and in return receives from the contracting provider a promise to deliver a specified measure of services or goods.

25. A machine-readable data storage medium encoded with a set of machine-executable instructions for carrying out, with a machine capable of executing said instructions, a data processing method for allowing a plurality of participants to prepay for educational services to be received at a later date from one of a plurality of specified educational institutions, the method comprising the steps of:

executing contracts between the administrating entity and each of the plurality of participants in which a contracting participant pays to the administrating entity a cash amount and in return receives from the administrating entity a promise to deliver at a future date a specified measure of educational services, the educational services to be provided by whichever of the plurality of specified educational institutions the contracting participant selects;

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determining, for each of the plurality of specified educational institutions, a predicted total measure of educational services that will be required from that educational institution by the aggregate of the plurality of participants; and

executing contracts between the administrating entity and each of the plurality of specified providers in which the administrating entity pays to a contracting educational institution a cash amount and in return receives from the contracting educational institution a promise to deliver a specified measure of educational services.

REMARKS

Claims 1-25 are pending in this application. Claims 6-25 have been added by this Amendment. Claims 1, 3, 5, 6, 24 and 25 are the independent claims.

The Office Action rejected claims 1-5 under 35 U.S.C. §102(a) as anticipated by U.S. Patent No. 5,794,207 to Walker et al. This rejection is respectfully traversed.

As recited in each of independent claims 1, 3 and 5, the present invention relates to a system or method for allowing plural participants to prepay for services or goods to be received at a later date from one of a plurality of specified providers. In the invention, contracts are executed between an administrating entity and each of the participants, in which the participant pays a cash amount to the administrating entity and in return receives a promise to deliver at a future date a specified measure of services or goods, to be provided by whichever of the providers the participant selects. For each of the specified providers, a predicted total measure of services or goods that will be required from the aggregate of the participants is determined. Then, contracts are executed between the administrating entity and each of the plurality of specified providers, in which the administrating entity pays a cash amount to the provider, and in return receives a promise to deliver a specified measure of services or goods.

To illustrate an example, and without limiting the broad applicability of claims 1, 3 and 5, the present invention may be used to implement a pre-paid college tuition program. In such a system, parents (participants, in the parlance of the claim) prepay tuition for college education

(a good or service, in the parlance of the claim), to be received when their child reaches college age (a later date, in the parlance of the claim) from any one of several colleges (a plurality of specified providers, in the parlance of the claim). Contracts are executed between an administrating entity and each of the parents, in which the parents make a tuition prepayment, and receive a promise to deliver in the future a specified measure of educational services (such as, for example, a year of schooling) from whichever of the specified colleges the parent selects. For each college, a predicted total measure of schooling that will be required from the aggregate of the parents in the program is determined. Then, contracts are executed between the administrating entity and each of the colleges, in which the administrating entity pays a cash amount to the college, and in return receives a promise to deliver a specified measure of schooling.

Walker relates to a method of effecting a so-called "reverse auction," that allows a buyer interested in good or service to specify the price that he or she is willing to pay. The Walker system is implemented by inputting into a computer a conditional purchase offer (CPO), stating the price the buyer is willing to pay and the specifics of the goods or services desired. A payment identifier is also input to the computer. The computer then outputs the CPO to a plurality of sellers. Any seller willing to accept the CPO

then notifies the computer, which in turn provides the payment identifier to the seller so that the transaction can be finalized.

A well-known example of the Walker method is the world-wide-web based services offered by Priceline.com, which enable buyers of airline tickets to "name their own price." The buyer enters the price he is willing to pay for a specific ticket or tickets and a credit card number to the Priceline Server; the offer is communicated by the Priceline Server to several airlines; an airline wishing to fill the offer responds to the Priceline Server; and the responding seller is provided with the buyer's credit card number so that the transaction may so consummated.

In Walker, the transaction is entered into between the buyer and the seller. The central computer never enters into any type of contract or transaction with anybody. Rather, it is simply an information conduit, that receives CPOs and payment identifiers from buyers, forwards the CPOs to a plurality of sellers and, if the CPO is accepted by a seller, provides that seller with the buyer's payment identifier so that the deal can be consummated. Thus, the computer is a passive "middle man" which conveys information between buyers to sellers, and does nothing else. The computer takes no part in the transaction itself, other than communicating the information. The transaction is strictly between the buyer and the seller.

In the present invention as recited in independent claims 1, 3 and 5, in stark contrast, the administrating entity is not a mere information conduit, but rather an active and integral part of the transactions. Specifically, the administrating entity executes contracts with the participants, in which it receives cash and in return makes a promise to deliver goods or services; and executes contracts with the providers in which it pays cash and in return receives a promise to deliver goods or services.

Because the computer of Walker does not execute any such contracts, but instead simply passively sends information from one party to another, it cannot possibly anticipate claims 1, 3 or 5.

The remaining claims, including new claims 6-25, also recite all the features of claims 1, 3 and 5 discussed above, and are believed to be patentable for the same reasons. In addition, these claims recite additional patentable features of the present invention, and individual consideration of each is respectfully requested.

In view of the foregoing remarks, the Examiner is respectfully requested to remove the rejections and allow the pending claims.